# Home Liquors

PARTNERS

Partnership In
Maximizing Category Profit

# Retail Partner Programs

## 1995 Retail Merchandising

## 1995 Retail Co-Marketing

RJ Reynolds Tobacco Company

51850 2332

Source: https://www.industrydocuments.ucsf.edu/docs/qkcy0000

[redacted] **Retail Partners Program**
**Background**

**The cigarette industry has changed dramatically over the past few years:**

***Price rollback***

***Competitive retail programs***

***B&W / ATC merger***

**RJR's and retail trade needs have also changed:**

***Link trade programs***

- **Retail Merchandising**
- **Retail Co-Marketing**
- **Distributor Programs**

***Improve quality of retail presence***

***Reward retail trade for supporting RJR strategic brands***

***Construct strong foundation for future growth of category***

RJ Reynolds Tobacco Company

51850 2333

Source: https://www.industrydocuments.ucsf.edu/docs/qkcy0000

# [redacted] Retail Partners Program

## Strategic Direction

**RJR's Objectives are fully integrated with our Retail Trade Customers' needs.**

**RJR will work to do what is best for RJRT, our Retail Trade Partners, and our mutual consumers, versus simply following competition.**

**RJR fully understands and anticipates change in the retail environment to be on the leading edge of new strategies, services, programs and technology to meet or exceed expectations of our retail customers.**

**RJR is best positioned to serve as the "Category Advisor", supporting business partnerships which will drive consumer impact and responsiveness.**

**Reinforces RJR's approach of "Working For Smokers".**

RJ Reynolds
WE WORK FOR SMOKERS

51850 2334

Source: https://www.industrydocuments.ucsf.edu/docs/qkcy0000

# [redacted] Retail Partners Program
## Summary of Changes

### *Merchandising*

**Shift to performance based merchandising -- RJR volume.**

**Linkage to marketing objectives at retail -- 2 full price feature displays and 1 savings.**

**Increase quality of retail presence.**

### *Co-Marketing*

**Co-Marketing Funds used offensively / defensively -- expanded universe.**

**Co-Marketing Funds -- Greater impact / Point of difference.**

**Co-Marketing Funds -- Linked to merchandising and RJR volume.**

### *Program Management*

**Partnership approach to retail needs / priorities.**

**Field sales flexibility -- decentralized trade support.**

**Improved efficiencies and targeting for long-term growth.**

RJ Reynolds Tobacco Company

51850 2335

Source: https://www.industrydocuments.ucsf.edu/docs/qkcy0000

# 1995 Merchandising Program - Pack Outlets

| Program Comparison | |
|---|---|
| **Old Program** | **New Program** |
| **Industry Volume based** | **RJR Volume - Pay for performance** |
| **Volume ranges**<br>**- Broad**<br>**- Capped near trade average** | **Volume ranges**<br>**- Multiple**<br>**- Competitive in high volume accounts** |
| **Base requirements**<br>**- 1 Full Price display**<br>**- 1 Savings display**<br>**- Enhanced sign** | **Base requirements**<br>**- 2 Full Price display**<br>**- 1 Savings display** |
| **Minimal additional signage requirement** | **Share of signage equal to RJR SOM** |
| **Enhancement option - Payment flexibility** | **Enhancement option - Payment flexibility** |
| **Component (stand alone) option** | **Component (stand alone) option - Payment flexibility** |
| **Minimum Volume requirement**<br>**- 76 Industry CPW** | **Minimum Volume requirement**<br>**- 100 Industry CPW**<br>**- 17 RJR CPW** |

RJ Reynolds Tobacco Company

51850 2336

Source: https://www.industrydocuments.ucsf.edu/docs/qkcy0000

[redacted]

# 1995 Merchandising Program Requirements Pack Outlets

**RJR Full Price Display in Primary Position**

**RJR Full Price Display is in a 2nd, 3rd, or 4th Full Price Position**

**RJR Savings Brand Display in a Primary Savings Position**

**Display RJR "Lowest" brands, if applicable**

**Provide RJR accurate volume information. Authorize primary and other suppliers to release brand style volume information to RJR.**

**Provide RJR share of available signage (excluding signage on fixtures / displays) equal to RJR share of market.**

RJ Reynolds Tobacco Company



Source: https://www.industrydocuments.ucsf.edu/docs/qkcy0000

# 1995 Merchandising Program Requirements
## Pack Outlets *(continued)*

**Provide RJR share of space equal to RJR share of market on carton merchandisers, if applicable. Minimum acceptable space as determined by an RJR Representative.**

**Ensure RJR brands are represented in all price tiers as required.**

**Ensure adequate quantity of RJR brands are maintained to minimize out of stock, including brands designated for display.**

**Provide RJR equal opportunity to place temporary promotional displays and signage, as requested.**

**Accept new RJR brand styles as requested by RJR Representative.**

**RJR reserves the right for final approval of display / advertising sizes and locations.**

RJ Reynolds Tobacco Company



Source: https://www.industrydocuments.ucsf.edu/docs/qkcy0000

# 1995 Merchandising Program - Carton Outlets

| Program Comparison | |
|---|---|
| **Old Program** | **New Program** |
| **Payment based on size of merchandiser**<br>- Rows<br>- Pack capacity | **RJR Volume - Pay for performance** |
| **Volume ranges**<br>- Broad<br>- Capped near trade average | **Volume ranges**<br>- Multiple<br>- Competitive in high volume accounts |
| **Base requirements**<br>- Pack Merchandiser<br>- Carton Merchandiser | **Base requirements**<br>- Pack Merchandiser<br>- Position of Cartons<br>- Share of space equal to RJR SOM |
| **Enhancement option - Payment flexibility** | **Enhancement option - Payment flexibility** |
| **Component (stand alone) option** | **Component (stand alone) option - Payment flexibility** |
| **Minimum Volume requirement**<br>- 225 Industry CPW | **Minimum Volume requirement**<br>- 225 Industry CPW<br>- 70 RJR CPW |

RJ Reynolds Tobacco Company

518Ø 2339

Source: https://www.industrydocuments.ucsf.edu/docs/qkcy0000

# [redacted] 1995 Merchandising Program Requirements Carton Outlets

**RJR Package Merchandiser(s) in Primary Position.**

**RJR brands on top shelves contiguous, meeting at least minimum space requirements.**

**Advertising located above RJR brand positions on merchandising fixtures.**

R.J. Reynolds Tobacco Company

51850 2340

Source: https://www.industrydocuments.ucsf.edu/docs/qkcy0000

# 1995 Co-Marketing Promotion Accrual Program

***Applies to both Pack and Carton Outlet Co-Marketers***

| *Co-Marketing Partnership Definition* | |
|---|---|
| Total Category Partner | Merchandising Partner |
| **RJR Base Merchandising Elements** | **RJR Base Merchandising Elements** |
| **RJR Everyday Lowest Price in all applicable Price Tiers * (RJR may not be disadvantaged)** | **No RJR EDLP in all applicable Price Tiers *** |
| **Maximum per carton rate** | **Lower per carton rate** |
| **Premium Menu Option (RJR discretion)** | **No Premium Menu Option** |
| **Co-Marketing Base and Match options** | **Co-Marketing Match option only** |

*** EDLP determined on a non-promoted basis**

RJ Reynolds Tobacco Company

51850 2341

Source: https://www.industrydocuments.ucsf.edu/docs/qkcy0000

# 1995 Co-Marketing Promotion Accrual Program

## *Co-Marketing Program Changes*

| *Program Comparison* | |
|---|---|
| Old Program | New Program |
| Industry Volume Based | RJR Volume Based |
| Large volume categories | Small volume categories |
| EDLP Accounts Only | EDLP Accounts - Tot Category Partner<br>Non-EDLP Accounts - Merch. Partner |
| Primarily Defensive Activity<br>(Discounting) | Offensive & Defensive Activity<br>Premium Menu - Total Category Partner |
| No carryover of unused funds | Funds carryover with RJR approval<br>(not to subsequent years) |
| Same Rate applied to all participants | Rates differ on partnership level<br>- Total Category Partner - Maximum rate<br>- Merchandising Partner - Lower rate |
| No Mandated Match | Match required for Merchandising Partner |
| No Promotional Platform Requirement | Promotional Platform required for both<br>Carton & Cigarette Outlets |

RJ Reynolds Tobacco Company

51850 2342

Source: https://www.industrydocuments.ucsf.edu/docs/qkcy0000

# [redacted] The Co-Existence Strategy

***Don't Sell Yourself Short !***

R J Reynolds Tobacco Company

51850 2343

Source: https://www.industrydocuments.ucsf.edu/docs/qkcy0000

[redacted]

| Store number | Industry cpw volume | RJR cpw volume |
|---|---|---|
| 75 | 222 | 40 |
| 209 | 107 | 19 |
| 593 | 96 | 17 |
| 360 | 146 | 26 |
| 410 | 123 | 22 |
| 465 | 106 | 19 |
| 480 | 95 | 17 |
| 641 | 135 | 24 |
| 773 | 115 | 20 |
| 927 | 201 | 36 |
| 1277 | 178 | 32 |

RJ Reynolds Tobacco Company



Source: https://www.industrydocuments.ucsf.edu/docs/qkcy0000

[redacted]

## Proposal: self service non self service base plans

**Elements:**

- Two full price displays (16 facings each)
- One savings display ( 24 facings
- Retailler match co-marketing accrual fund

| Store | S/S Base | Co-marketing Accrual Fund | Annual Payment |
|---|---|---|---|
| 75 | $150.00 | $68.00 | $2,616.00 |
| 209 | $ 90.00 | $40.00 | $1,560.00 |
| 593 | $ 90.00 | $40.00 | $1,560.00 |
| 360 | $ 90.00 | $40.00 | $1,560.00 |

RJ Reynolds Tobacco Company

51850 2345

Source: https://www.industrydocuments.ucsf.edu/docs/qkcy0000

[redacted]

| Store | S/S Base | Co-marketing Accrual Fund | Annual Payment |
|---|---|---|---|
| 410 | $ 90.00 | $40.00 | $1,560.00 |
| 465 | $ 90.00 | $40.00 | $1,560.00 |
| 480 | $ 90.00 | $40.00 | $1,560.00 |
| 641 | $ 90.00 | $40.00 | $1,560.00 |
| 773 | $ 90.00 | $40.00 | $1,560.00 |
| 927 | $150.00 | $68.00 | $2,616.00 |
| 1277 | $120.00 | $56.00 | $2,112..00 |
| Totals | $1,140.00 | $512.00 | $19,824.00 |

RJ Reynolds Tobacco Company

51850 2346

Source: https://www.industrydocuments.ucsf.edu/docs/qkcy0000

[redacted]

## One Sheet Sign Payment:

| Number Stores | Monthly Payments | Annual Payments |
|---|---|---|
| 11 | $330.00 | $3,960.00 |

R J Reynolds Tobacco Company

51850 2347

Source: https://www.industrydocuments.ucsf.edu/docs/qkcy0000

[redacted]

## Payment Summary:

| | Monthly | Annual |
|---|---|---|
| Self Service Pack Base Plans: | $1,140.00 | $13,680.00 |
| Co-marketing Accrual: | $ 512.00 | $ 6,144.00 |
| One Sheet Signs: | $ 330.00 | $ 3,960.00 |
| Grand Total : | $ 1,982.00 | $23,784.00 |

RJ Reynolds Tobacco Company

51850 2348

Source: https://www.industrydocuments.ucsf.edu/docs/qkcy0000

# HOME LIQUORS 2ND QUARTER 1995 CO-MARKET ING PROMOTION

- CO-MARKETING DOLLARS ACCRUED 1ST QTR. 1995

  - RECOMMENDED PROMOTION:

    $.30 PACK BUYDOWN ON ALL SELECT AND WINSTON BRAND STYLES

    TOTAL BUYDOWN PACKS = 2,800

    REDUCE SELECT AND WINSTON PACK PRICES ($.30) PER PACK IN ALL STORES ON- GOING. WHEN DOLLAR AMOUNT($840.00) IS SPENT, DISCONTINUE PACK PRICE REDUCTION.



Source: https://www.industrydocuments.ucsf.edu/docs/qkcy0000